

## INFORMATION REPORT INFORMATION REPORT

## CENTRAL INTELLIGENCE AGENCY

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COUNTRY	East Germany	REPORT	
SUBJECT	Review of the Foreign Trade Situation by State Secretary Willi Huettenrauch <i>(Made with East Bloc given in terms of rubles)</i>	DATE DISTR.	12 JUL 1957
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On 19 March 1957, Willi Huettenrauch, Second State Secretary and Deputy Minister of the Ministry of Foreign and All-German Trade, made the following statements at a meeting, attended by top officials of the Ministry to the directors to the DIAs (Deutscher Innen-und Aussenhandel trading agencies) and Dr. Gottlieb Lessing, head of the East German Chamber of Foreign Trade (Kammer fuer Aussenhandel):

1. In 1956, the East German foreign trade exchange *[redacted]* totaled 9,785,707,000 rubles, representing an increase over 1955 of 11.8%. Of this sum, 7,993,230,000 rubles represent trade with the countries of the East Bloc and amount to an increase of 13% over the previous year. Trade with other countries amounted to 1,792,477 rubles, or 8% above the total for the previous year. *[redacted]*
2. The development of foreign trade has been unsatisfactory. The export plan was not realized, while too much was imported. The principle of equal trading, by which goods are procured in countries where goods are also sold, was not honored. The situation in the realm of machine construction was particularly serious and the machine construction industry had exported 200 million rubles less than planned. The realization of the exports plan of the heavy machine construction industry showed a deficit of 9% and that of the general machine construction a deficit of 6%. Considerable arrears in exports were already apparent as of March 1957.

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3. The system applied in former years of making up arrears through imports must stop. Three hundred million rubles were spent, over and beyond the Plan, for supplementary foodstuffs.
4. With regard to trade with the East Bloc, certain changes are to be made. East Germany has extended Hungary a credit of 60 million rubles against which Hungary is to receive staple goods (*Massenbedarfsgueter*) for 28 million rubles. Export of the machinery to Hungary is to be reduced and the export of consumer goods increased. This is in line with a trade policy to increase the ratio of exports of the products of light industry and consumer good industry to the total export. Some modifications are to be applied to trade with Poland because of the decreased imports to East Germany of hard coal and coke and as a result of Poland's request that East Germany import more machinery and transport equipment. The import of mining products from China has decreased from 6% to 1%, and deliveries from China will consist more and more of foodstuffs, which already comprise 72% of all Chinese exports to East Germany. East Germany's exports to China, however, consist up to 60% of transport machinery and industrial plants. It is to be expected that export to China consisting of products of the machine construction, machine tools, electrotechnical, and precision and optics industries will decrease further.

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6. The extension of economic and technical aid to underdeveloped countries is of particular importance in view of the "significant role played by the anti-imperialist nationalist states in international relations". These countries should be given more and more machines and equipment against long-range payment terms, and the East German trade missions to those countries strengthened. Trade with such undeveloped areas should be doubled in 1957.

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